

**Enghouse Systems**

Software engineered for results

# **Enghouse - Corporate Presentation**

**Q3 FY23**



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Certain statements made in this presentation and the related materials may contain forward-looking statements, which are not historical facts, but are based on certain assumptions and reflect Enghouse's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These risk factors are identified in Enghouse's Annual Information Form and other periodic reports filed with applicable regulatory authorities from time to time. Enghouse disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Strategy



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- ◆ Two-pronged strategy to grow earnings (internal growth and acquisitions)
  
- ◆ The Company is organized around two business segments delivering solutions for remote work, visual computing and communication networks:
  - Interactive Management Group (“IMG”)
    - Customer interaction solutions (including video collaboration)
  
  - Asset Management Group (“AMG”)
    - Networks Group provides technology solutions to communications and media, utilities and defense organizations
    - Transportation & Public Safety Group provides software solutions for transit, supply chain and public safety
  
- ◆ Completing selective acquisitions within existing markets and entering new strategic software markets on an opportunistic basis

# Snapshot



**Enghouse Systems**

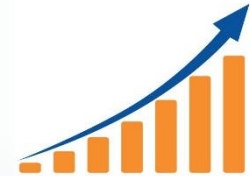
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HQ in Canada, offices in  
25+ countries



Toronto Stock Exchange  
TSX:ENGH



Dual Growth Revenue  
(organic & acquisitions)



Enghouse Interactive



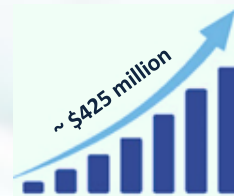
Enghouse Networks



Enghouse Transportation  
& Public Safety



~1,800 employees



Revenue



Profitable growth

# Interactive Portfolio



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◆ Solutions that transform customer experience



## OMNI-CHANNEL CONTACT CENTER

Mid-market Contact Center  
Enterprise Contact Center  
Enghouse CCaaS  
AI Powered Social Media  
Video Enabled Contact Center



## CALL RECEPTION/CALL HANDLING

Mid-market Attendant Console  
Enterprise Attendant Console  
Cloud Attendant Console  
Directory Integration



## VIDEO INTERACTION

Healthcare  
Financial Institutions  
Legal and Court  
Enterprise Video Collaboration  
Technology Companies  
UCaaS  
Enterprise Video Management



## CUSTOMER SELF-SERVICE

AI Powered Voice and Chat Bots  
Mobile Self-service Platform  
Knowledge Management  
AI Chat-bots



## QUALITY MANAGEMENT

Agent Optimization  
Interaction Recording and Analysis  
Survey Management  
Workforce Management  
AI Powered Business Insights  
Augmented Supervisor  
Call Billing and Reporting



## TELEPHONY, VIDEO & CRM INTEGRATION

CRM Integration  
Telephony Application Enablement  
Video Application Enablement  
VoiceXML Application Test

# Networks Portfolio



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- ◆ Technology solutions that enable telecom operators to build, manage, monitor and monetize their communication network



## BUSINESS SUPPORT SYSTEMS

Billing as a Service  
MVNO Billing Solutions  
IoT Monetization & Billing  
Wholesale Revenue Management



## OPERATION SUPPORT SYSTEMS

e.AI  
Geographic Information Systems  
Network Inventory & Planning  
Performance Management  
Fault Management  
Network Testing



## NETWORK INFRASTRUCTURE

Mobile Value-Added Services  
Intelligent Routing  
Session Border Controller  
Stack, Signalling and STP  
Media Gateways  
Media Processing  
Control Switch



## DIGITAL TRANSFORMATION

TV as a Service  
Video Solutions  
Embedded Browsers

# Transportation & Public Safety Portfolio



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◆ Software solutions for transit, supply chain and public safety companies



## TRANSIT OPERATIONS AND PAYMENTS

Fixed Route & Demand Response  
Scheduling & Dispatch  
Driver Management  
e-Ticketing  
Automated Fare Collection



## COMMUNICATIONS

Fixed Route  
Demand Response  
Operator & Fare IVR



## PUBLIC SAFETY

Emergency Control & Dispatch  
(1st responders)  
Non-Emergency Patient Transport



## FLEET MANAGEMENT

Logistics Management  
Order Tracking  
Telematics  
Container Tracking and Monitoring



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# **ANNUAL RESULTS**

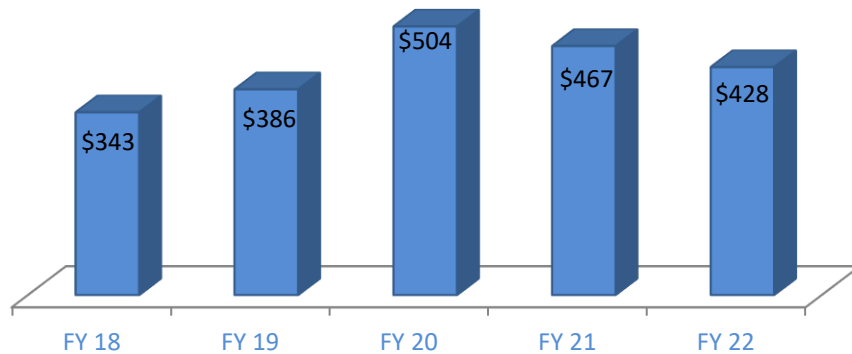


# Fiscal Year Results (ending Oct 31)

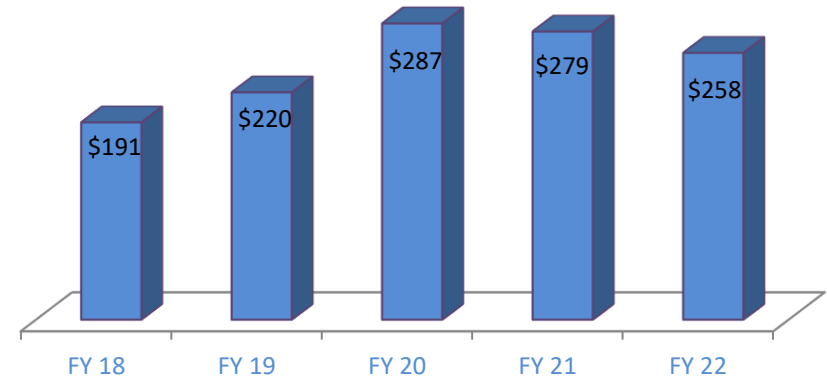


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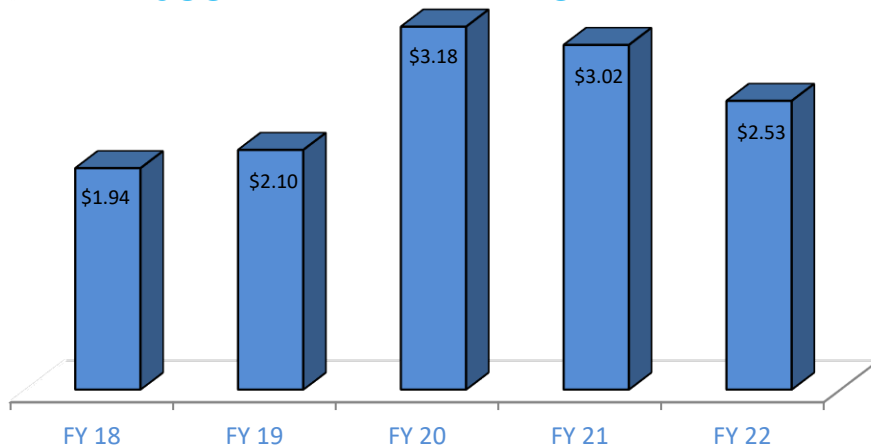
## TOTAL REVENUE (\$millions)



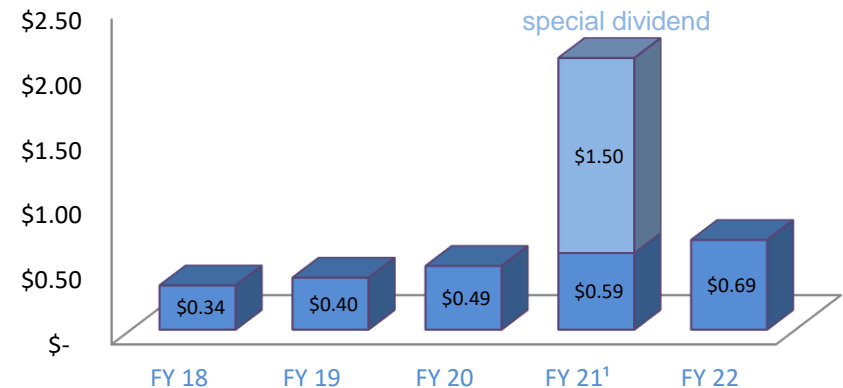
## SaaS & MAINTENANCE SERVICES (\$millions)



## ADJUSTED EBITDA PER SHARE



## DIVIDEND PER SHARE



**Note<sup>1</sup>:** A special dividend of \$1.50 per common share was paid on Feb 16, 2021 to shareholders of record as at Jan 15, 2021



**Q3 FY23**

# Q3 & YTD FY23



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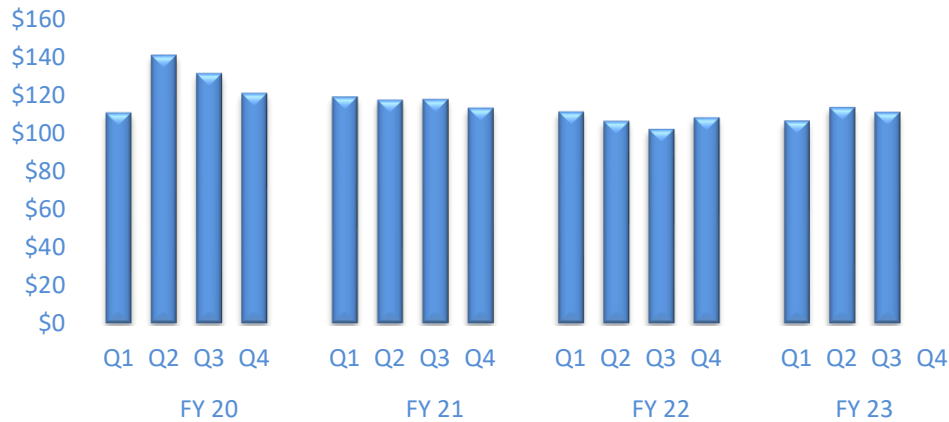
	Q3 FY23	Q3 FY22	% Change	YTD FY23	YTD FY22	% Change
Revenue	\$111.0m	\$102.1m	8.7%	\$330.9m	\$319.5m	3.6%
■ Revenue - IMG	\$64.3m	\$55.1m	16.7%	\$186.7m	\$174.2m	7.2%
■ Revenue - AMG	\$46.7m	\$47.0m	-0.7%	\$144.2m	\$145.4m	-0.8%
SaaS and Maintenance revenue	\$72.3m	\$63.5m	13.8%	\$210.4m	\$193.7m	8.6%
Adjusted EBITDA <sup>1</sup>	\$33.4m	\$32.5m	2.9%	\$95.9m	\$104.8m	-8.5%
Adjusted EBITDA <sup>1</sup> per diluted share	\$0.60	\$0.59	1.7%	\$1.73	\$1.88	-8.0%
Dividend – per common share, based on date of record	\$0.220	\$0.185	18.9%	\$0.590	\$0.505	16.8%
Cash spent on acquisitions - net of cash acquired & holdbacks	\$3.6m	\$6.1m	-40.8%	\$29.0m	\$6.5m	346.0%
Cash & Investments balance - end of period	\$249.7m	\$229.5m	8.8%	\$249.7m	\$229.5m	8.8%
Operating cash flow - before working capital adjustments	\$39.0m	\$29.2m	33.8%	\$86.9m	\$84.6m	2.7%

**Note<sup>1</sup>:** Adjusted EBITDA: Results from operating activities adjusted for depreciation of PE and ROU assets and special charges for acquisition related restructuring costs.

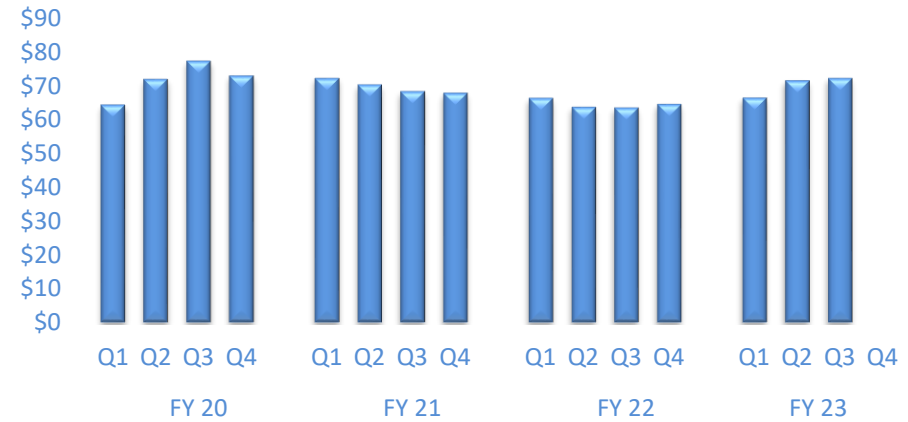
# Quarterly Results



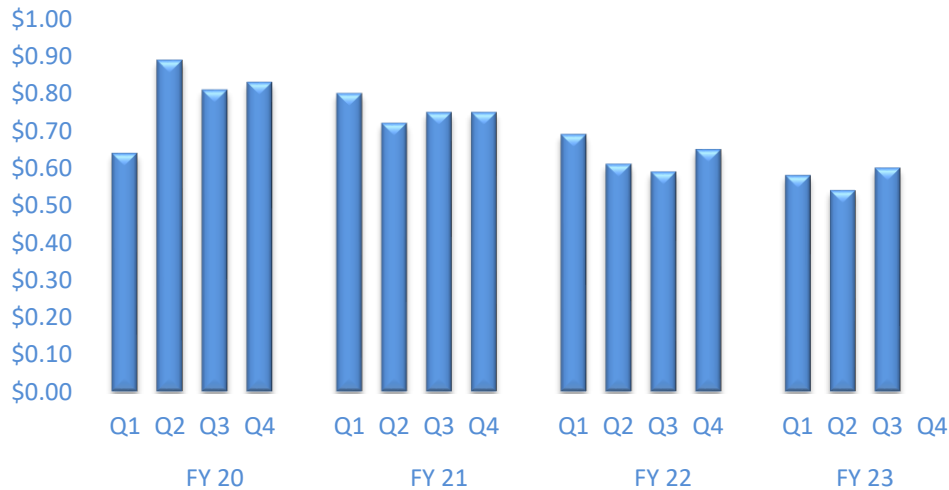
## TOTAL REVENUE (\$ millions)



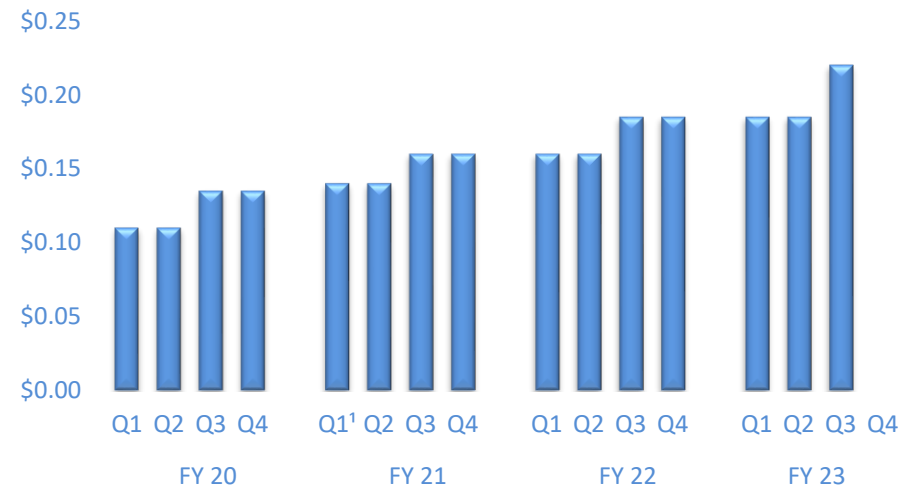
## SaaS & MAINTENANCE SERVICES \$ millions



## ADJUSTED EBITDA PER SHARE



## REGULAR DIVIDEND PER SHARE



**Note**<sup>1</sup>: A special dividend of \$1.50 per common share was paid on Feb 16, 2021 to shareholders of record as at Jan 15, 2021, excluded from chart



# Acquisition Strategy

- ◆ Established track record of value creation through acquisitions
- ◆ To consistently generate positive operating cash flows to fund further growth, drive shareholder value while minimizing shareholder dilution
- ◆ Economic factors are favorable for acquisitions especially for small-cap companies
- ◆ Target companies in the \$5m - \$50m revenue range preferably with strong recurring revenue
  - Geographic, product or scale expansion
  - Mission critical solutions
  - High barriers to entry
- ◆ Objective is for a cash-on-cash payback within 5 - 6 years

# Recent Acquisitions





**THANK YOU!**